R9325-1
6/20/89

Research News for the U.S. Travel Industry

TRAVEL PRINTOUT

US Travel Data Center

May 1989 Volume 18, Number 5

1987 Travel Spending Brings Billions of Dollars to State Economies

Over 40 states collected at least $1 billion each in travel dollars

U.S. residents and foreign visitors spent $291 billion traveling in America during 1987, nearly 9 percent over the previous year. In total, 43 states and the District of Columbia received more than $1 billion each from travel expenditures, reported the US Travel Data Center in it's **1987 Impact of Travel on State Economies**.

These estimates and other economic measures of travel spending in the U.S. were derived from the Data Center's Travel Economic Impact Model (TEIM), the only national economic model which produces consistent estimates of the direct impact of travel on the nation's economy. These figures were used in conjunction with the U.S. Department of Commerce's Regional Input-Output Modeling System (RIMSII) to measure the indirect and induced effects of travelers' expenditures.*

The study reports that California garnered the most travel expenditures during 1987, nearly $36 billion. Florida was second with more than $24 billion, followed by New York, which collected $17 billion in travel dollars. The top five ranking states accounted for almost 40 percent of all U.S. travel spending.

Meal purchases represented 26 percent, or $71 billion, of travel expenditures, while public transportation expenditures comprised 25 percent or $68 billion of total travel dollars. Public transportation expenses showed the largest increase, up nearly 12 percent. Entertainment and recreation expenditures rose 9 percent over 1986.

Travel spending generated more jobs than all other private industries in 13 states and ranked among the top three employers in 37 states. On the average, every $54,600 spent on travel in the U.S. supported one job in 1987. Nevada holds the highest share of travel-generated employment at 32 percent of the state's total payroll.

The **1987 Impact of Travel on State Economies** reports travel spending in each state, the employment, payroll income, and tax revenue generated by travelers, plus the impact of spending in six industry segments including, lodging, food, and transportation.

The **1987 Impact of Travel on State Economies**, mailed directly to Data Center members, is available for $70 from the US Travel Data Center, Two Lafayette Centre, 1133 21st Street, NW, Washington, D.C., 20036.

* The direct impact of travel spending represents the actual dollars spent by travelers. The indirect impact estimates how much business is generated as firms purchase goods and services to meet traveler demand. The induced impact measures the economic contribution of travel industry employees as they, in turn, spend their wages and salaries. ##

Top States: 1987 Domestic Travel Expenditures

State	Expenditures (billions $)
California	35.8
Florida	24.3
New York	17.2
Texas	15.7
New Jersey	13.3

Summer Vacations Remain Popular Among Americans

An increase in the number of short trips will drive 1989 summer vacation travel to levels that will exceed previous record totals established during June, July and August, 1988, announced the Data Center at its annual Summer Vacation Travel Forecast press conference.

" America wants to travel more than ever and its people are going to satisfy this desire," said Dr. Suzanne Cook, director of the Data Center,

(continued on page 3)

1990 Travel Outlook Forum Covers Ethnic Markets

The US Travel Data Center has lined-up a select panel of speakers for its 1990 Travel Outlook Forum, co-sponsored by the Travel and Tourism Research Association, October 3, 1989, at the Diplomat Resort and Country Club in Hollywood, Florida.

One prestigious group will examine the size, preferences, and travel patterns of various ethnic groups and their impact on the travel industry.

James Loretta, vice president of sales and marketing, the Strategy Research Corporation, will provide the outlook for travel among Hispanic-Americans. William McGuggins of the Mingo Group will discuss travel projections for the Black-American traveler.

Speakers at the forum, themed "1990 -- Gateway to a Decade," will focus on what adjustments the travel industry is expected to undergo in the coming decade.

For more information, contact the Data Center at 202/293-1040. ##

March Travel Price Increase Spurred by Rising Lodging Costs

The overall cost of traveling in the U.S. jumped 2.4 percent during the month of March, spurred by a significant increase in lodging prices, reported the latest Travel Price Index (TPI) compiled by the Data Center.

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S., reached 125.1 (1982 - 84 = 100) in March. For comparison, the price of all goods and services purchased by consumers, as measured by the Consumer Price Index (CPI), rose 0.6 percent during the same period to 122.3 (see chart).

The cost of lodging while out of town increased significantly in March, a trend that has continued over the previous three months following a series of declines in the last quarter of 1988.

Transportation costs rose 0.9 percent during March. Motor fuel costs increased 1.5 percent, airline fares rose 0.2 percent, as did intracity public transportation costs. However, other intercity transportation (bus and rail) prices declined 0.5 percent.

The cost of food and beverages purchased while traveling increased 0.4 percent over the previous month, while entertainment prices were up 0.7 percent for March.

The March TPI rose 5.3 percent over year-earlier levels, led by a 6.6 percent gain in airline fares and a 6.1 percent increase in the cost of other intercity transportation. The CPI increased 5.0 percent for the same period. ##

Travel Price Index and Components

March 1989 TPI Component	Monthly % Change February 1989 to March 1989	Annual % Change March 1988 to March 1989
Transportation	0.9	5.8
Airline Fares	0.2	6.6
Other Intercity Trans.	-0.5	6.1
Intracity Public Trans.	0.2	3.1
Motor Fuel	1.5	5.2
Lodging	7.0	5.8
Food and Beverages Away From Home	0.4	4.6
Entertainment	0.7	5.7
TRAVEL PRICE INDEX	2.4	5.3
CONSUMER PRICE INDEX	0.6	5.0

Source: US Travel Data Center and the U.S. Bureau of Labor Statistics

Winter 1988-89 Vacation Travel Rises 6 Percent

Vacation travel during December 1988, and January and February 1989, jumped 6 percent over the previous winter's record-breaking increases, according to the latest results of the National Travel Survey conducted by the Data Center.

The monthly telephone survey reported that overall travel during winter 1988-89 rose just over 2 percent, reaching 246 million person-trips for the three month period. (A person-trip measures each person traveling 100 miles or more).

The survey also found that:

- o Business travel increased more than pleasure travel which remained relatively stable with the previous winter;
- o Auto travel grew nearly 3 percent, while air travel declined 4 percent; and,

According to the survey, February travel grew 7 percent over year-earlier levels, reaching 63.3

(continued on page 3)

TRAVEL PRINTOUT is published monthly by the US Travel Data Center, the national non-profit center for travel and tourism research, and an affiliate of Travel Industry Association of America, Two Lafayette Center, 1133 21st Street NW, Washington, D.C. 20036. Telephone: 202/293-1040. Suzanne D. Cook, Director, Julie Bowers, Editor.

Travel Printout reports on Data Center Projects, national travel research conducted by other respected organizations, and trends in the U.S. travel industry. Subscriptions are $70 per year, U.S., Canada and Mexico; other foreign countries, $80 per year, payable in U.S. funds only. ISSN: 0744-6233.

(continued from page 2)
million person-trips.

February vacation travel jumped 13.5 percent, and weekend travel climbed almost 16 percent over February 1988. Business travel, on the other hand, showed only a 1 percent rate of growth.

Air travel increased 9 percent on a person-trip basis in February, while travel by automobile, truck or recreational vehicle rose 5 percent.

The average duration of all trips taken during February fell from 4.1 nights in 1988 to 3.4 nights this year. The average round-trip distance was 920 miles, down from 970 round-trip miles last February. ##

Summer Travel (continued from page 1)

"even if the demands of time are forcing many of them to take three- and four-day trips in lieu of one- and two-week vacations. We must face the reality that Americans may be reaching the limit of time their schedules allow them to be away from home while traveling."

The Data Center forecast predicts that:

- Overall, summer vacation travel will increase by 3 percent over 1988, to 330 million person-trips. (A person-trip is one person traveling 100 miles or more away from home.)
- Summer vacationers will continue to take more weekend and long weekend trips. In fact, the volume of day trips and trips of up to three nights will rise 7 percent and comprise more than half of all summer vacation travel. The number of vacations of four or more nights is actually expected to decline marginally this summer.
- Americans will average 5.5 nights on each trip and spend a total of 1.8 billion nights away from home during the three month season.
- Trips involving hotels are expected to increase 3 - 4 percent this summer, although the actual increase in room-nights may be less due to shorter stays.
- Auto travel will continue to be strong, rising 4 percent over summer 1988 and accounting for 83 percent of all summer vacation travel. Air travel will show little change over the previous summer, while both bus and rail services will operate at or near capacity.
- Travel for sightseeing, entertainment, and outdoor recreation purposes will be most popular during summer 1989, with a projected increase of 6 percent over last summer's record-breaking figures.
- Cities and beaches will be equally favored destination spots this summer, followed by small towns, mountains, lakes, and state/national parks.
- Regionally, the Southeast will attract 27 percent of all summer vacationers, followed by the West with 23 percent, and the Midwest with 17 percent.
- U.S. outbound travel to foreign countries should increase about 3 percent during summer 1989, based on projections for 1989 by the U.S. Travel and Tourism Administration.

The **1989 Summer Vacation Travel Forecast**, is available to **Travel Printout** subscribers for $25, prepaid. Write to: US Travel Data Center, Two Lafayette Centre, 1133 21st St., NW, Washington, D.C., 20036. ##

Visitor Volume at National Parks

Region	FEB 1989 visits	% Change from FEB 1988*	% Change 1988/89*
NEW ENGLAND	282,700	3%	10%
MIDDLE ATLANTIC	929,891	1	2
SOUTH ATLANTIC	2,617,401	-20	-2
EAST SOUTH CENT.	1,168,804	22	5
EAST NORTH CENT.	268,673	4	-3
WEST NORTH CENT.	160,119	-10	3
WEST SOUTH CENT.	425,110	-5	9
MOUNTAIN	1,382,644	-10	-3
PACIFIC	2,583,932	-14	-2
TOTAL	9,819,274	-11	1

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

TEIM Update

The Data Center is selecting travel industry and research experts to serve on committees that will provide counsel throughout the revision process of its Travel Economic Impact Model (TEIM), an economic model which estimates the impact of travel spending.

State travel directors, convention and visitor bureau officials, and delegates of other travel-related associations were invited to join the Industry Review Panel which will help determine industry priorities when programing the model's output capabilities.

A Technical Review Panel will advise on modeling techniques and data sources for the TEIM, and include modeling, analysis, and forecasting experts. ##

States comprising the Census regions:
New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Middle Atlantic:** New Jersey, New York, Pennsylvania. **South Atlantic:** Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia. **East South Central:** Alabama, Kentucky, Mississippi, Tennessee. **East North Central:** Illinois, Indiana, Michigan, Ohio, Wisconsin. **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **West South Central:** Arkansas, Louisiana, Oklahoma, Texas. **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific:** Alaska, California, Hawaii, Oregon, Washington.

Current Travel Indicators

CURRENT TRAVEL INDICATORS....1989	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)	Feb	N/A	million			
Eating and Drinking Places(2)	Feb	$13,677	million	-0.7	8.1	9.1
Gasoline Service Stations(2)	Feb	8,633	million	1.8	4.7	3.0
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	Feb	N/A	%			
Real Demand for Commerical Lodging(4)	Feb	N/A	million			
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles	Feb	22.7	billion	-5.8	-4.3	-0.7
Int'l Revenue Passenger-Miles	Feb	5.8	billion	-18.4	11.2	12.9
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles	Feb	33.3	billion	-8.9	3.0	5.7
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles	Feb	524.3	million	27.6	15.5	10.7
Travel Price Index (1982 - 84 = 100) (8)	Feb	122.1		1.2	4.6	4.0
U.S. Resident Travel						
Total Person-trips(9)	Feb	63.3	million	-20.4	6.9	6.3
Vacation Person-trips(9)	Feb	41.2	million	-20.6	13.5	15.9
Total Person-nights(10)	Feb	213.1	million	-37.2	7.1	5.6
Vacation Person-nights(10)	Feb	149.4	million	-45.1	22.5	25.1
Public Use of National Parks (11)						
Visits	Feb	9,819,274		-12.2	-11.1	1.0
Overnight Stays	Feb	412,620		10.5	-15.7	-9.5
Foreign Arrivals to the U.S.						
From Overseas(12)	Jan	880,042		-4.2	12.7	12.7
From Canada(13)	Feb	822,542		-8.1	11.9	13.0
From Mexics(12)	Jan	80,955		-28.8	58.8	58.8
U.S. Citizen Departures						
To Overseas(12)	Jan	N/A				
To Canada(13)	Feb	445,298		12.1	-11.7	-8.7
Domestic Demand for Gasoline - Barrels/Day(14)	Feb	7,095	thousand	5.4	1.3	1.1

(1) Source: Smith Travel Research, seasonally unadjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary; U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary; revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: US Travel Data Center and Bureau of Labor Statistics. (9) Source: US Travel Data Center. (10) US Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada (14) Preliminary; Source: U.S. Department of Energy.

US Travel Data Center

Two Lafayette Centre
1133 21st Street, NW
Washington, D.C.
20036
(202) 293-1040

U.S. POSTAGE
PAID
FIRST CLASS
PERMIT NO. 8523
WASHINGTON, D.C.

Jeannie Long
Congressional Information Service
4520 East-West Hwy., Ste.
Bethesda, MD 20814

May 1989

TRAVEL PRINTOUT

Research News for the U.S. Travel Industry